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SUBJECT: COMMUNIST PARTY REFORMERS PUSH FOR CHANGE

REF: A) 04 HCMC 1383; B) HANOI 2063

Summary

1. (SBU): Former Prime Minister Vo Van Kiet, senior statesman of the Party in southern Vietnam, has reportedly emerged in recent months as the de facto spokesman of the Party's reformist wing. According to a Party insider close to Kiet, his critique of the draft political report of the 10th party Congress is circulating widely among Vietnam's intelligentsia and represents the position of reformists, who are calling for the next year's Party Congress to endorse comprehensive economic, social and political reform. Kiet called for rationalization and reform of the state-owned sector, "democratization" of the Party and reevaluation of the Party's ideology. He accused conservatives of fostering a climate of cronyism and venality that undermines the Party's legitimacy and stifles economic growth. Kiet argues that "peaceful evolution," the foil conservatives have used to impede ties with the United States, is no longer relevant to Vietnam.

2. (SBU) Kiet has become the darling of the reform-oriented HCMC press, which has given his public statements headline coverage. Although Kiet's suggested reforms are perhaps the most extensive and far reaching that we have seen from a Party leader, he is no dissident. His proscriptions are evolutionary not revolutionary and argue for continued Party control over the pace and scope of Vietnam's economic and social reform. End Summary.

A Public Shot Across the Bow...

3. (SBU) In an August 2005 open letter given headline coverage in HCMC's reform-oriented Tuoi Tre and Thanh Nien newspapers, former Prime Minister Vo Van Kiet chides the Party for failing to follow the example of Ho Chi Minh to "unite the people," for creating "class-based antagonisms" and for ignoring the contributions of non-Party members to the development of the country. He warned that elitism, corruption and mismanagement are "eroding the people's trust in the Party." Kiet added that the Party's penchant for placing those who are politically safe, instead of the technically qualified, in key positions is impeding Vietnam's development. Calling the Party's 1956 land reform in the North and post-1975 collectivization in the South mistakes that set Vietnam back by generations, Kiet drew parallels to the current debate within the Party over the scope and pace of economic and political reform. HCMC media also widely covered Kiet's "impromptu" October 18 press conference on the margins of the opening of the October 2005 session of the National Assembly, in which Kiet prodded the Party, the GVN and the National Assembly to intensify and coordinate its anti-corruption efforts.

...And A Private Broadside

4. (SBU) In May and again in July, Kiet reportedly submitted policy documents to the Politburo and Central Committee. The first was a 27-page critique of the draft political report of the 10th Party Congress -- the Congress' policy centerpiece. The second was entitled "suggestions to amend CPV regulations." According to a contact in HCMC, both documents have been circulated widely among Party officials. The two documents cover a wide range of issues ranging from the Party's ideological underpinnings, political reform and "democratization" and economic reform. Key themes that Kiet lays out in these documents, reported also in Ref B following the 12th Party Plenum in July, include:

-- Ideological change: Kiet questions the sustainability of the Party's adherence to Marxism-Leninism and suggests that the Party, at a minimum, triage M&L dogma to determine what elements remain appropriate for Vietnam and discard the rest. Kiet raises the prospect of substituting "Ho Chi Minh Thought" as an alternative, a proposal that that other sources tell us is under discussion within the Party (Ref B). However, Kiet stops short of recommending that the Party "reconsider socialism" or completely abandon Marxism-Leninism.

-- Economic Reform: Kiet notes that Vietnam's economic competitiveness is low and that Vietnam will have trouble competing in an increasingly integrated world market. He criticizes GVN and Party economic managers, taking specific aim at conservatives -- such as former Party Secretary Do Muoi -- who delayed Vietnam's signing of the U.S.-Vietnam Bilateral Trade

Agreement and who continue to support a strong State-Owned sector. Calling State Owned Enterprises (SOEs) the "weakest and most problematic sector in the country," Kiet calls for establishing a truly "level playing field" between SOEs and the private sector. Echoing themes he raised with the Consul General last year (Ref A), Kiet also calls for immediate and comprehensive reform of Vietnam's banking and financial sector.

-- Foreign Policy: Kiet emphasizes that Vietnam needs to move away from the "us versus them" mentality that still pervades Party thinking. In this context, "peaceful evolution" (the alleged American strategy to force the Party to change through civil society development and economic growth) "needs to be soberly reconsidered." He notes that even China uses its economic relationship with the United States for its own political benefit. According to Kiet, Vietnam must avoid a situation where it relies only on one international power, but must be able to play all sides for its own advantage. Kiet also argues that the GVN must do more to woo Western multinational companies to Vietnam. He notes that these corporations could become key allies in Vietnam's efforts to lobby Western governments.

-- Internal political reform: Asking, "whom does the Party represent now?" Kiet warns that the Party is cut off from Vietnam's "working class," which has no input into the decisions of its representatives. Kiet calls for a series of reforms to "democratize" the Party, including reasserting the power of the 150-person Central Committee over the Politburo, clearly defining -- and limiting -- the responsibilities of the Party General Secretary and demanding that Central Committee and Politburo

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members not hold government office concurrently. Kiet calls on the Party to open the leadership of the Fatherland Front and other mass mobilization organizations to non-Party members. Singling out former President Le Duc Anh and Party Secretary Do Muoi (and himself by inference), Kiet demands that the Party eliminate the influence of former Party leaders on the decision-making process. Kiet also pressed the Party to "familiarize Vietnamese society with the habits of democracy and democratic way of life," by expanding freedom of the press, speech and independent scholarly research.

A Party Insider Says...

15. (SBU) A senior official based in HCMC who reports directly to the Prime Minister confirmed to us on October 20 that the points Kiet articulated in his letters reflect the sentiments of many within the Party. Some believe that Kiet's proposals did not go far enough, but "not everything needed to or could be raised." The official, a protégé of Kiet's, confirmed the existence of serious debate between reformists and Marxist-Leninist "dogmatists" in advance of the 10th Party Congress. The contact maintained that a majority of Party members now recognize that the Party must make an ideological shift, but was torn over how and when to make the move. There is deep angst within the Party that publicly acknowledging that tenets of Communist dogma are obsolete will weaken the Party's legitimacy. The contact would not speculate about the outcome of the 10th Party Congress, but observed that the solution to the issue would not come from internal Party deliberations but the establishment of a solid basis of rule of law in the country.

16. (SBU) Comment: Kiet's calls for reform reflect ongoing discussions in the Party about its future in the run-up to the 10th Party Congress. Kiet's call for comprehensive economic reform and abandoning the bugaboo of "peaceful evolution" appear designed to buoy reformers, who look to the United States as a partner that can support their development goals.

17. (SBU) Although Kiet's letters reportedly have caused consternation in some circles within the Party, Kiet -- the Party's senior statesman in the South and one of the architects of Vietnam's "Doi Moi" (economic liberalization) policy -- is evolutionary, not revolutionary. He urges reform, not abandonment, of one-Party rule and democratic centralism. Although his writings leave open the possibility that Vietnam could transition to a multi-party system, Kiet appears to argue that any process of democratization in Vietnam must happen gradually, with the Party firmly in control of the direction and pace of reform.

WINNICK